

WAY IS PAVED TO SUBMIT TO ARBITRATION MEXICAN ROW

Washington, In Note, Accepts Carranza's Proposal of International Conference To Adjust Differences of Two Countries

COMPLETE AGREEMENT CONFIDENTLY EXPECTED

Both Nations Now Agree That Best Kind of Understanding Exists and There is Little Chance of Border Hostilities

(Associated Press by Federal Wireless.)

WASHINGTON, July 29.—The American note replying to General Carranza's proposal of an international conference to settle differences between Mexico and the United States, was handed to Doctor Arredondo, ambassador-designate, last night. It is a statement that the American government is prepared to accept Carranza's proposal of a conference, but suggests that the delegates shall be given larger powers than those suggested by Carranza, looking to a general conference for an improvement of the relations between the two countries. Commissioners will be appointed soon, it is expected, and will assemble at some chosen point for a conference which is expected to result in a final solution of the problems of American relations with Mexico, and how the border difficulties shall be handled in the event of continued disorder in Mexico. Complete Agreement Expected

It was officially announced at the White House last night that a complete agreement with the Mexican government was confidently expected. Carranza will probably respond at once to the American acceptance of his plan, with its slight amendments to enlarge the powers of the arbitrating commission, and, if he does this, the appointment of the American commissioners will be made at once. Chief Justice Edward Douglas White and Associate Justice Louis D. Brandeis of the United States Supreme Court are being considered as American commissioners, also Maj. Gen. George W. Goethals, builder of the Panama Canal, and Frederick Lehman, former solicitor general of the United States and former president of the American Bar Association. Prompt Action By Mexico

Acting Secretary of State Polk had a conference with Doctor Arredondo yesterday, and after it was over both of the diplomats expressed the opinion that a satisfactory solution of all pending questions was imminent. The Mexican ambassador designate indicated that he expected a prompt acceptance by his government of the American modification of the Carranza proposal for an international conference.

In view of the entirely friendly turn the situation has taken, it is not thought now that there is any immediate danger of war. The large American force on the Mexican border will be kept there for the time being, but there is now no expectation that it will be necessary to cross the Rio Grande in force.

Luis Cabrera, Mexican Minister of Finance under the Carranza government, will, it is stated, probably head the Mexican conferees.

Situation Finally Relieved

State department officials express satisfaction at what they regard as final relief of a situation which seemed to be leading to war, and they expect that the international commission will be named within a few days. It is recognized that the situation will have many grave problems to deal with, and that in the settlement of the relations between Mexico and the United States, other powers, having heavy claims for damages against Mexico, may claim a hearing.

It is understood that there will be tremendous claims for damages, by Americans and by European countries, against Mexico, which will come before the commission, and that one of the problems to be discussed will be American responsibility, under the Monroe doctrine, as a backer of Mexico against the European claimants. British and German subjects have large claims for losses and one problem which the international commission will have to take up is that of how Mexico and the United States shall deal with the European claimants. Also there are hundreds of American claimants for damages and while these are larger than any of the others, the European claims are said to be more serious as the claims are complicated in connection with the Monroe doctrine.

General Villa is surrounded by ten thousand Carranza troops, according to a statement made by Doctor Arredondo, Mexican ambassador designate, last night, and his capture is imminent. It is claimed that his army in southern Chihuahua faces certain destruction. Aside from the expectation that the Carranza forces will win complete victory over the Villa army, the announcement is of interest, as the first official Mexican admission that Villa is still alive.

AMERICAN TRADE BALANCE GIGANTIC

Business During Fiscal Year Ended June 30, Most Enormous in History

(Associated Press by Federal Wireless.)

WASHINGTON, July 29.—The treasury department has given out figures showing the year's business of the commerce of the United States for the fiscal year ended June 30 to be by far the biggest in history, with a trade balance in favor of America of more than \$2,000,000,000, and more than twice that of any years before.

The balance for the year was \$2,136,000,000 in favor of American exporters. For the year ended June 30, last year, it was \$1,094,419,600, and this was almost twice the heaviest balance of any previous year in history. The figures this year are four times as great in favor of the United States as those of the year 1914.

The unprecedented trade balance of more than \$2,000,000,000 in favor of America is due largely to the orders for munitions and other war supplies from Europe. No such balance in history of any country is of record in history. While it was known that the trade figures would show a tremendous balance in favor of America, the enormous figures, when the statistics were finally totaled, astonished financiers.

Following a balance of \$1,000,000,000 last year, a balance of more than \$2,000,000,000, this year creates conditions which, financiers say, mean unparalleled prosperity for the United States.

TERAUCHI WILL SUCCEED OKUMA

Governor-General of Korea Is Believed To Be Next Premier of Japan

(Special Cablegram to Nippon Jiji.)

TOKIO, July 29.—The political situation which remained unchanged for a few days past will see by tomorrow a decided turn toward the appointment as the new premier of Gen. Count M. Terauchi, the soldier-statesman and now the governor-general of Korea. Prince A. Yamagata, one of the elder statesmen and an urgent backer of Terauchi, is expected here tomorrow morning from Odawara, where the prince has been recuperating, to recommend to the Emperor that the soldier-statesman be called upon to organize the new ministry.

The appointment of Terauchi to the important post was today foreshadowed in the Kokumin Shinbun, the former government organ and one of the influential papers published here, with a statement that Terauchi has been already chosen to be the next premier. "It is now only a matter of time to see Terauchi named the head of the Japanese affairs," declared the Kokumin, and probably tomorrow will see the change in the ministry. Terauchi is determined to accept the appointment and only selection of the members of the cabinet now remains to perfect the formation of his political party.

Terauchi, according to the Tokyo paper, was quite busy for a few days past in seeing the heads of various political parties with a view of getting their promises of supports in his fight for the premiership of Japan. Viscount T. Kato, the head of the Dosikai, or now the government party; K. Hara, the head of the Seiyukai, or the Constitutional party, which is now an anti-government party; and K. Inukai, the head of the Kokuminto or National party, also the opposition party, all are reported to have agreed not to oppose Terauchi's appointment. This will give the new premier an united support at the coming session of the Japanese diet.

REVOLUTIONARY ARMY MENACES FOREIGNERS

(Special Cablegram to Hawaii Shingo.)

TOKIO, August 29.—The Revolutionary army in Southern China has renewed operations which surrounded the city of Canton, including the foreign settlement in the Pearl River. All foreigners are threatened, and to meet the situation the Japanese Government this morning dispatched the cruiser Sagami to Canton.

BERLIN REPORTS BIG BATTLE

(Associated Press by Federal Wireless.)

BERLIN, July 28.—The war office announced that two Russian army corps in East Prussia delivered attacks against the Germans today but failed to make headway and the battle is continuing. Southeast of Vladimir-Volynsk the Russians have resumed their attack and have penetrated von Lindegen's lines northeast of Svinouch, where the Germans are making a counter-attack.

CAPERTON RELIEVES WINSLOW

(Associated Press by Federal Wireless.)

SAN DIEGO, July 28.—Admiral William B. Caperton today succeeded Admiral Cameron McK. Winslow as commander-in-chief of the Pacific fleet.

Since the reports of his death, weeks ago, the Mexican government has never admitted knowledge of his whereabouts.

The official statement from Doctor Arredondo is taken as settling all rumors that Villa was dead, and leads officials here to believe that news of his capture or death will soon be received.

Execution of British Master Cause Inquiry

(Associated Press by Federal Wireless.)

WASHINGTON, July 29.—The execution of Capt. Charles Fryatt of the British steamer Bruzels, which was captured by Germans, has raised a new international issue, and aroused a lot of discussion. According to the German report, the captain, though commander of a merchant vessel, attempted to ram a German submarine. For this, after the capture of his vessel he was sentenced to death, and he was shot yesterday.

The official German report of the incident, under date of Brugge, Belgium, is as follows: "Proceedings have been held by the field court of the navy corps against Capt. Charles Fryatt of the English steamer Bruzels, which was brought in as a prize a few days ago."

"Fryatt was sentenced to death because, although not belonging to the armed forces, on March 28, near Maas-see-ship, he tried to ram a German submarine, the U-33."

"Fryatt and the first officer and first engineer received from the British admiralty golden watches for 'brave conduct' and were mentioned in the house of commons."

The U-33 had signalled to the British steamer to show her flag and stop but Captain Fryatt did not heed the signal. He turned at high speed, towards the submarine, which escaped only by diving immediately some meters under the surface. Fryatt admitted that he had followed the instructions of the British admiralty.

"The sentence was confirmed, and Fryatt was executed for the franchise crime against the armed German sea forces."

STEWARDESSES ARE HELD

LONDON, July 29.—United States Ambassador Gerard has been asked to use his influence to secure the release of five stewardesses from the steamer Bruzels, who are, it is understood, held in a detention camp in Germany.

The London Foreign Office last night sent an official denial of the statement that Captain Fryatt had been given any reward for attempting to ram submarines. The news of the execution caused considerable discussion among the foreign ambassadors here, some of whom did not hesitate to express the opinion that the act was a violation of international law. Sir Edward Grey has asked United States Ambassador James Gerard, at Berlin, to obtain for him the details of the execution.

HOME RULE MAY DIVIDE IRELAND

Minister Lloyd-George Thinks Question of Erin Soon Will Be Settled

(Associated Press by Federal Wireless.)

LONDON, July 29.—Minister Lloyd-George last night made a statement to the effect that after discussion of the Irish problem with the leader of both sides he felt much confidence in being able to bring about a solution of the problem. He thinks that, in the matter of government, Ireland will have to be allowed to be divided into portions which want home rule and portions which do not.

"I expect a substantial solution of the Irish question," said the British minister, "in spite of the recent fall ere to reconcile the Nationalists and the Unionists. We have at least already brought the two parties to the point of shaking hands with one another, instead of shaking fists at one another, and that is a great deal accomplished."

The main points of the settlement probably will be the immediate creation of an Irish parliament, with the exclusion for the present in its deliberations of that portion of Ireland which is unwilling to participate in any home rule measure. The consideration of the whole question of the government of Ireland may be left to a conference after the conclusion of the war.

LEONARD SHADES WELSH IN EIGHT OUT OF TEN

(Associated Press by Federal Wireless.)

BROOKLYN, July 29.—Benny Leonard bested Freddie Welsh in eight out of ten rounds in their fight here last night.

DANISH KING ALMOST DROWNS WHILE YACHTING

(Associated Press by Federal Wireless.)

LONDON, July 29.—King Christian of Denmark narrowly escaped death by drowning while out boating yesterday. His yacht was overturned and he was brought ashore by a rescuing party which took him from the wrecked vessel.

CANAL RUNS AT LOSS

(Associated Press by Federal Wireless.)

WASHINGTON, July 28.—According to figures made public today, the Panama Canal is running at a loss. The tolls for the year ending in May were \$4,286,551 less than expenses. For the month of May the tolls amounted to \$368,023.

DEUTSCHLAND MAY SLIP AWAY SOON

Subsea Freighter Is Carefully Guarded and Pilot Is Said To Be Aboard

(Associated Press by Federal Wireless.)

BALTIMORE, July 29.—The German submarine Deutschland is still in port. One rumor here is that she will not depart until there is news of the Bremen, a sister ship which is supposed to have left Germany for the United States soon after the Deutschland left, and is overdue.

A report came yesterday that the Bremen had been captured and taken to Halifax. It was officially denied by the minister of marines and fisheries at Halifax. Nothing is given out regarding the plans of the Deutschland.

The submarine is more carefully guarded now than ever. An extra crew has been placed on board the tug Timmins, which is standing by, to give a report, which cannot be verified, says that a pilot went aboard the steamer last night. This would indicate an intention to leave at any time.

A report, which cannot be verified, says that a pilot went aboard the steamer last night. This would indicate an intention to leave at any time. It is known that engine tests have been continued on the submarine and the reports are that they have resulted in a very satisfactory showing.

The belief prevails that the submarine may slip out of port at any time.

LONDON RECEIVES 'BOYCOTT' PROTEST

Washington Makes It Clear To Allies That America Condemns Blacklisting Policy

(Associated Press by Federal Wireless.)

LONDON, July 29.—The American protest against the blacklisting policy of the Allies was delivered at the foreign office last night.

It is couched in less stern language than was the protest against the interference with American mails, but is, nevertheless, very plain in its statement that the United States cannot admit the right of Great Britain or her allies to blacklist American firms in the manner proposed.

Officials in the foreign office declined to discuss the matter last night or to give out the text of the American note, but they let it be known that the American protest, while not so severely worded as was the note regarding interference with mails, is a decidedly pointed objection to the blacklisting of any American firms by the Allies.

TERRIFIC HEAT STILL RAGES IN MIDDLE WEST

(Associated Press by Federal Wireless.)

CHICAGO, July 28.—The great heat wave of the Middle West and East, the worst since 1901, continues unabated today. With dry, searing winds—when any winds are blowing and almost cloudless skies, from which the sun pours down, no relief was given the suffering crowds today.

The hottest cities in the country are Chicago, Milwaukee and St. Louis. Twenty-five deaths from heat have been recorded.

Chicago is hotter than ever before recorded. At midnight last night the temperature was ninety degrees. In the rolling mills and iron works the heat was so terrific that even the hardiest employees could not endure it and refused to work.

HONOLULU NAVAL BASE GETS NEW COMMANDANT

(Associated Press by Federal Wireless.)

WASHINGTON, July 28.—Capt. G. R. Clark has been designated as commandant of the naval station Honolulu, succeeding Admiral Clifford J. Rush. Captain Clark for the past year has been a member of the naval staff and examining board. He was previously aide to Secretary Daniels for education, and had charge of all the naval educational work conducted by Mr. Daniels.

ARMY AVIATOR KILLS BOY WHEN MACHINE FALLS

(Associated Press by Federal Wireless.)

SAN DIEGO, July 28.—Lieut. Sheldon Wheeler of the Signal Corps Aviation School, while in a flight to North Island and Los Angeles, lost control of his machine this afternoon. It crashed into automobiles watching the flight, killing Harold Stoebe, aged four, and injuring Mrs. C. A. Stoebe. Wheeler was not injured but the aero plane was wrecked.

MEDICAL AND DENTAL EXAMINERS APPOINTED

(Associated Press by Federal Wireless.)

The Governor yesterday reappointed Dr. J. T. McDonald to the board of medical examiners, to serve a three year term. He also has appointed Dr. Ormond E. Wall to the board of dental examiners, to succeed Dr. M. E. Grossman, resigned. Doctor Grossman is in the States at the present time.

INTER-ISLAND BOARD CREATES NEW OFFICE FOR NORMAN E. GEDGE

Secretary and Treasurer of Navigation Company Becomes Assistant To Mr. Kennedy

(Associated Press by Federal Wireless.)

NORMAN E. GEDGE, secretary and treasurer of the Inter Island Steam Navigation Company, has been appointed assistant manager of the company.

This position is of immediate assistance to James E. Kennedy, president and manager. Mr. Kennedy said yesterday afternoon that the board of directors had approved the appointment.

Mr. Gedge has been connected with the Inter-Island for years, and as secretary has had charge of the bunkering business of the company, which of late has become increasingly important as more vessels come here for bunkers.

HAWAIIAN PINES AT FRENCH FRONT

Sergt. Meek Sends Label Stripped From Can, From 'Somewhere In France'

(Associated Press by Federal Wireless.)

Hawaiian pineapples go around the world; at least they start, but, when discovered, they are promptly intercepted and consumed. Walter H. Bradley, the real estate man, whose office is in the Love building, in Port street, is exhibiting a letter written by Sgt. James Meek, from "Somewhere in France," on the back of a label stripped from a tin of Hawaii's choicest fruit. The letter reads:

"The day after I bought this from this nice French girl in a candy store a Taube dropped a bomb which struck the shop across the street and reduced it to rubble, but no one was killed. I have scored out the name of the town so this will pass the censor, but I can assure you it is a hot spot to find Hawaiian pineapples in."

It is one of J. D. Dole's "Paradise Brand," sliced Hawaiian pineapples, net weight 12 oz., and across the green and gold of the label is the inscription of the girl—"Souvenir de Guerre, Mlle. Carlotin, Rue de Lankouers."

RAPID TRANSIT WILL IMPROVE ITS SERVICE

(Associated Press by Federal Wireless.)

Announcement from the offices of the Honolulu Rapid Transit and Land Company yesterday is to the effect that one result of the supreme court's decision favorable to the company, in the suit brought against it by the Territory, will be general improvement of the street car system throughout the city.

C. G. Ballentine, general manager, has announced that the proposed extension of the King street line to a point just beyond the Fort Shafter hospital will be undertaken just as soon as the plans are approved by the superintendent of public works.

The plans for this improvement were filed in the superintendent's office yesterday.

FORMER VILLISTA GENERAL EXECUTED

(Associated Press by Federal Wireless.)

LAREDO, Texas, July 29.—Santiago Ramirez, former Mexican governor of Coahuila and later a general in the Villista army, was executed as a traitor last Monday in the presence of a gathering of ten thousand persons.

He left Mexico when Villa became weak, and returned during the late crisis between the United States and Mexico, offering his services to Carranza. His offer was not accepted. Instead he was accused as a traitor and found guilty.

Ramirez died with a brave front. He refused to be blindfolded, and faced the firing squad with a defiant air.

CARRANZA SHOTS FIELD OFFICER WHO ABANDONS BANDIT 'PANCHITO'

(Associated Press by Federal Wireless.)

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PRESIDENT CRUISES ON CHESAPEAKE BAY

(Associated Press by Federal Wireless.)

WASHINGTON, July 29.—President and Mrs. Wilson left yesterday afternoon for a week end cruise in the yacht Mayflower, on Chesapeake Bay. The President will keep in touch with the White House by wireless, but regards the various diplomatic problems which the administration is concerned with as now in such satisfactory condition that his constant personal attention to them is not needed. There is no critical situation with any foreign power.

NON-CONTIGUOUS TRADE INCREASES

Commerce With Alaska Has Gained More Rapidly Than With Other Territories

(Associated Press by Federal Wireless.)

American commerce with non-contiguous territories of the United States during the ten months ended last April reached a total value of \$246,908,659, an increase of more than 30 per cent over the record of the corresponding normal period ending April, 1914. Shipments received from these territories, including Alaska, Hawaii, Porto Rico and the Philippine Islands, were valued at \$132,035,291, as compared with \$91,424,653, while shipments from the United States to these territories, including in addition Guam and American Samoa, were valued at \$94,873,265, against \$92,245,516 two years ago. Shipments to the territories will be seen, have not increased in anything like the proportion of gain shown in merchandise received. The trade balance in 1914 favored the United States slightly, while the present record shows the balance strongly in favor of the territories.

The importance of the trade with the territories is indicated by a comparison with the trade with foreign countries. Shipments received from non-contiguous territories were of greater value than those received from Oceania and Africa combined. They were larger than imports from any European country except the United Kingdom and were almost half as large as the total imports from South America as from Asia. The fact that shipments to the territories do not compare as favorably indicates that the United States has wide opportunities for expanding trade in the territories.

Trade with Alaska has gained more rapidly during the last two years than trade with any other territory. Only to the Philippines do shipments from the United States show a decline.

ARITA INDICTED ON TWO SERIOUS CHARGES

(Associated Press by Federal Wireless.)

Accused of Criminal Intimacy With Young Japanese Girl

(Associated Press by Federal Wireless.)

Three true bills and one no bill made up the grand report returned in the circuit court to Judge Ashford by W. H. McClenahan, foreman of the territorial grand jury at two-thirty yesterday afternoon. The grand jury has cleaned up all old cases and yesterday's session was a brief one.

Ned Kamai was indicted on a second-degree charge. It is claimed that he broke into the house of Lai Hoi on July 11 and took from the premises certain things of value.

Two indictments were returned against Suyematsu Arita. It is charged that on June 15 at Waipahu, this island, and on June 21, at the same place, he committed statutory offenses, the defendant, who is said to be under fifteen years of age, being Chiyoko Sato, the defendant's ward. A no bill was returned to a third statutory offense charge against Arita.

Arita was at one time a Salvation Army worker at Waipahu. Because of irregularities, it is claimed, the Salvation army disowned and dismissed him. Later he posed again as a worker in the ranks of this organization. It has been asserted that he wormed himself into the good graces of a Japanese family at Camp 5, in Waipahu and posed as the friend and protector of the members of the family. When the head of the family died he requested that Arita make himself guardian of the children, it is understood. Arita was appointed guardian of the minors. Then came the exposure of Arita's alleged criminal intimacy with the young girl—Chiyoko Sato. His arrest followed and yesterday the grand jury indicted him on two charges.

Both Arita and Kamai will be arraigned at nine o'clock this morning before Judge Ashford, when they will be asked to plead to the charges against them.

NAVAL SKIRMISH REPORTED

(Associated Press by Federal Wireless.)

BERLIN, July 28.—Several German submarines and three British patrol boats fought off Scotland today. One of the British vessels was sunk, says the Overseas Agency. Six dead are reported.

Woman Neer's All Her Strength

(Associated Press by Federal Wireless.)

The woman who has a bad back is in constant pain, for her work must be tended to just the same. Any other member of the family would have prompt and loving care, but the mother is inclined to neglect her own life.

So, many a woman who needs all her health and strength to stand the work and worry of keeping house becomes a chronic kidney sufferer.

Do not neglect a backache, lame back, disordered action of kidneys, dizziness, headache and blue or nervous spells. Probably it's all the result of kidney weakness. Women all over the world recommend Doan's Backache Kidney Pills for just these troubles, and weak, delicate women can take them freely, for Doan's contains no harmful, poisonous or habit-forming drugs. They act quickly and do lasting good.

"When Your Back Is Lame—Remember the Name." Don't simply ask for a kidney remedy—ask distinctly for Doan's Backache Kidney Pills and take no other. Doan's Backache Kidney Pills are sold by all druggists and storekeepers at 50c a box (six boxes \$2.50) or will be mailed on receipt of price by the Hollister Drug Co., or Benson Smith & Co., agents for the Hawaiian Islands.—Advertisement.

ALLIES SMASH TEUTONSHARD AND ADVANCE THEIR FRONTS

Russians Sweep Enemy Out of Brody and Drive Forward Towards Lemberg, While Austro-Germans Beat Hasty Retreat

(Associated Press by Federal Wireless.)

LONDON, July 29.—Tremendous Russian advances against the Teutonic forces and continued successes in the British attack at the western front are the features of the war news today.

PEOPLE OF HUNGARY STRICKEN WITH PANIC

(Associated Press by Federal Wireless.)

Superior Artillery and Ammunition Supply Responsible For Results, While Francis Joseph Tries To Sustain Subjects

(Associated Press by Federal Wireless.)

ONDON, July 29.—Tremendous Russian advances against the Teutonic forces and continued successes in the British attack at the western front are the features of the war news today.

The Russian offensive has reached such proportions that panicky conditions prevail in Budapest, the capital of Hungary, while at the western front the British troops have not only firmly established themselves in the positions previously won, but have made further advances.

Slavs Out Teuton Front

A Ruter despatch from Petrograd says that the Russian forces have broken through the entire Austro-German front, west of Lutsk, in southwestern Russia, capturing nine thousand prisoners, including two generals, and they are now menacing Lemberg. There is panic in Budapest, capital of Hungary, and 70,000 Turks are said to have been assembled to meet the Russian army which is advancing through the Carpathians. The Emperor Francis Joseph has gone to Budapest to use his personal influence to cheer the frightened populace.

Great Open Battle Pending

It is believed that a great open battle is pending when the Russian forces which are sweeping forward enter Hungary. The Russians are advancing so rapidly that there will be no time for the defending forces to entrench. Their commanders say that their successes of the past few days will lead to the capture of Lemberg. Yesterday they announced the capture of Brody, fifty-eight miles north east of Lemberg. The German and Austrian forces which had occupied the place made a hasty retreat in the face of a Russian artillery attack, backed up by infantry.

Lemberg Russian Objective

Russian officers say that their successful advances are due to a superiority in artillery and ammunition supplies. They bombarded Brody with such effect that the enemy evacuated the place and retreated towards Lemberg, on which the Russians are now advancing.

The whole of Longueval is now in the possession of the British. After several days of attacks and counter-attacks, the British forces yesterday succeeded in establishing themselves in complete control of the city. They also took the Devil's woods, making a charge by infantry which carried everything before it.